

# PHILADELPHIA MULTIFAMILY HOUSING HUB NEWS



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[www.hud.gov/local/shared/working/r3/mfhsg.cfm?state=pa](http://www.hud.gov/local/shared/working/r3/mfhsg.cfm?state=pa)

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## Older Communities

The Philadelphia Federal Reserve Bank hosted a 3-day conference in April called "Reinventing Older Commu-

nities." The keynote speaker was Bruce Katz of the Brookings Institution of Wash-



ington. In his presentation, Mr. Katz stated that investing in older cities, rather than digging deeper into suburbia, is consistent with a global economy, a hedge against global warming (by getting people out of their cars), and an antidote to racism and discrimination.

He stated that American cities are swelling in population, particularly among the under-30 young professionals. Among the cities cited was Philadelphia, Scranton, Chicago, Detroit, Seattle, and St. Louis. The return to city life for these areas is on a roll. Colleges and medical facilities are flourishing and people are looking for diversity, vibrancy, density, and connectivity that define city life.

The consensus among Katz and other urban experts is that mayors and governing bodies should divide their municipalities into well-defined zones or corrals and let developers create within those boundaries.

To learn more about this topic, see [www.brookings.edu](http://www.brookings.edu).

## Student Section 8 Eligibility

A notice was published in the Federal Register on April 10, 2006 that provides additional guidance to assist public housing agencies and multifamily project

owners and management agents with the implementation of the new Section 8 eligibility restrictions for the final rule that was published in the Federal Register on December 30, 2005 and became effective on January 30, 2006. The new student eligibility restrictions only apply to HUD's Section 8 programs administered by the Office of Housing and the Office of Public and Indian Housing. This rule and notice do not apply to HUD's Public Housing program.

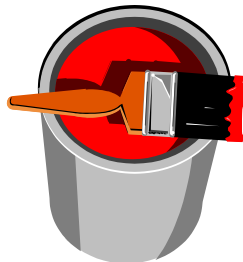


As you may recall, on December 30, 2005, HUD published a final rule implementing a new law that restricts individuals who are (1) enrolled at an institution of higher education (i.e., students), under the age of 24, not a veteran, unmarried, and do not have a dependent child, and (2) seeking assistance under Section 8 of the United States Housing Act of 1937 (Section 8 assistance) in their individual capacity (that is, separately from their parents) from receiving Section 8 assistance if neither the student nor the student's parents are income eligible.

The final rule is posted at [www.hudclips.org](http://www.hudclips.org) under FR-5036-F-01, dated December 30, 2005, titled "Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing".

### **Insulation Paint**

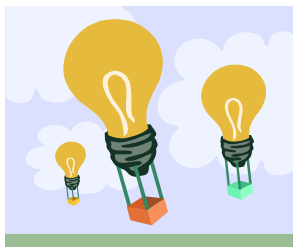
The insulation factor of dwellings can be enhanced by the application of exterior insulation paint or insulating paint additives. These products use a blend of insulating ceramic microspheres or "vacuum beads," that are designed specifically for mixing into paints, coatings and composites to form a tight interlocking matrix which reduces conductive heat through the painted surface. The ceramic barrier reflects up to 90% of the heat back to the source. They are designed to keep heat out in summer and reflect the heat back in during the winter drastically reducing the costs required for heating or cooling.



For more information, see the websites of the following manufacturers: Chem-Rex ([www.chemrex.com](http://www.chemrex.com)), Insuladd ([www.insuladd.com](http://www.insuladd.com)), and Hy-Tech Insulating Paint, ([www.hytechsales.com](http://www.hytechsales.com)).

### **Occupancy Tip**

The following tip is provided concerning the impact of regular cash contributions and gifts on the calculation of annual income for subsidized tenants:



\* Owners must count as income any regular contributions and gifts from persons not living in the unit. These sources may include rent and utility payments paid on behalf of the family, and other cash or non-cash contributions provided on a regular basis.

\* Groceries and/or contributions paid directly to the childcare provider by persons not living in the unit are excluded from annual income.

\* Temporary, nonrecurring, or sporadic income (including gifts) is not counted.

### **New Management Review Form**

Frequently Asked Questions (FAQs) regarding the revised Form HUD-9834, Management Review for Multifamily Housing Projects (MOR), are posted on the following websites:



Contract Administration site <http://www.hud.gov/offices/hsg/mfh/rfp/sec8rfp.cfm>, under Frequently Asked Questions.

Multifamily Housing site <http://www.hud.gov/offices/hsg/hsgmulti.cfm>, under WHAT'S NEW.

The MOR Form, HUD-9834, is completed by HUD staff, Performance-Based Contract Administrators/Contract Administrators and Mortgagees of Co-insured Projects (Mortgagees) to assess the management and oversight of multifamily housing projects.

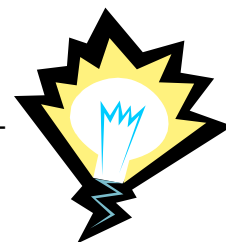
To view the MOR Form, go to <http://www.hudclips.org>.

To assist with implementation of the MOR Form, a mailbox was established to address any questions related to the revised HUD-9834 and provide technical guidance. The FAQs were developed from questions submitted to the mailbox and are categorized following the order of the HUD-9834. For example, all FAQs pertaining to Part E- Leasing and Occupancy are grouped together. Additional FAQs will be added as necessary and will be added to the bottom of the applicable section. The FAQ document will reflect when it has been updated, i.e. "Updated on \_\_\_\_\_".

Please send any questions regarding the HUD-9834 to [Hq\\_Mf\\_Mor/HSNG/HHQ/HUD@HUD.gov](mailto:Hq_Mf_Mor/HSNG/HHQ/HUD@HUD.gov).

### **Pilot Energy Program**

Public Service Electric and Gas has expanded a pilot program to give consumers greater control over their energy use. The "myPower" pilot program has been offered to 800 residents in Cherry Hill and Franklin Township, NJ. Business and home customers will have special thermostats installed that will allow them to receive information about changing energy prices. The customers will then have the option of moving their energy usage to times when prices are lower, such as evenings and weekends.



### **Section 8 Student Eligibility**

Frequently asked questions and answers regarding the new Section 8 eligibility restrictions of students for Section 8 assisted housing have been posted at:

[www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm](http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm).

### **Assisted Living Facilities**

Many guide books offer advice to seniors looking to find the “right” assisted living facility.

Beside visiting the facility and its website, prospective tenants are encouraged to evaluate each facility using a checklist. The following is a typical checklist of the amenities and services that may influence a prospective tenant:



- \*Is the facility conveniently located?
- \*What services are provided?
- \*Are rehabilitative or long term care services available?
- \*Is there an activity department and are daily activities offered?
- \*Is there emphasis on spiritual development?
- \*Is there a positive interaction between residents and staff?
- \*Do employees take pride in their work and are they well-trained?
- \*What accreditations does the facility possess (e.g., approval from the Continuing Care Accreditation Commission)?
- \*How long has the facility been in operation?
- \*How many times has the facility changed management or names?
- \*Are the common areas clean?
- \*Are utilities included?
- \*Are pets welcome?
- \*Are housekeeping services available?
- \*How is laundry handled?
- \*Is 24-hour security on the premises?

Of all these items, of course, is the need for the facility to be warm, friendly, and most importantly, offer the best possible quality care and services for its residents.

### **Camden Redevelopment Funds**

The State of NJ has awarded the City of Camden \$175 million in redevelopment funds to help kick-start redevelopment in the long-suffering industrial city across the Delaware River from Philadelphia, PA.



The money was allocated to projects including the expansion of the state aquarium and the rebuilding the aging sewer system. Since the money began rolling into the city, numerous private investment ventures

have occurred- most notably the expansion of two hospitals, the improvement of neglected roads, new construction at Rutgers University, a new library, and the first major market-rate projects in decades. In addition, private foundations such as the Ford and Annie E. Casey Foundations have said that their organizations would solicit monetary help from other foundations for the impoverished city.

In response to this progress, Governor John Corzine has remarked that the investment for the state seems to be worth it, noting that the city looks much better than it did when he first visited while running for the U.S. Senate six years ago. “It’s nowhere near where it used to be,” he said.

### **Disposal of Assets**

Applicants and tenants of subsidized housing must declare whether an asset has been disposed of for less than fair market value at each certification and recertification. Owners must count assets disposed of for less than fair market value during the two years preceding certification or recertification. The amount counted as an asset is the difference between the cash value and amount actually received. This provision does not apply to families receiving only BMIR assistance (Below Market Interest Rate).



Any asset that is disposed of for less than its full value is counted, including cash gifts as well as property. To determine the amount that has been given away, owners must compare the cash value of the asset to any amount received in compensation. However, the rule applies only when the fair market value of all assets given away during the past two years exceeds the gross amount received by more than \$1,000.

When the 2-year period expires, the income assigned to the disposed asset also expires. If the two-year period ends in the middle of a recertification year, then the tenant may request an interim to remove the disposed asset.

For further information including examples, see Section 5-7G6 of HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs.

### **New Jersey Housing Facts**

25% of all NJ residents are tenants and over 400,000 are on waiting lists for rental assistance.

### **Senior Wellness**

Researchers from the New Jersey Institute for Successful Aging have discovered that older adults experience significant physical and psychological benefits from tai chi, an ancient Chinese martial art known for its slow, dance-like movements.



In a 12-week study researchers assessed the physical and mental conditions of 70 volunteers. They were randomly assigned to one of three groups: tai chi, low-impact exercise or a control group. At the end of the study, researchers reassessed the volunteers and measured any changes in their mental and physical abilities. The group practiced tai chi three times a week for an hour at a time.

The participants reported a 23% increase in the quality of their sleep, a 33% increase in flexibility and a 38% decrease in the amount of pain they usually experienced. In addition, they found that their balance and coordination improved, they lost weight, they gained strength, they experienced peace and tranquility, and they enjoyed becoming more active.

For more information on senior wellness topics, please visit the following websites:

[njisa.umdnj.edu/](http://njisa.umdnj.edu/) (NJ Institute for Successful Aging)

[www.virtua.org/page.cfm?nav\\_id=115](http://www.virtua.org/page.cfm?nav_id=115) (Virtua Health's William G. Rohrer Center for Health Fitness).

### **Harrisburg-Lebanon Housing Market**

HUD's Economic and Market Analysis Division has released a Comprehensive Market Analysis Report on Harrisburg-Lebanon, PA.

The report stated that the Harrisburg-Lebanon HMA rental market is balanced. The rental vacancy rate increased from 7.7% in 2000 to an estimated 8% as of October 1, 2005, because new apartments were constructed and increasing numbers of renters purchased homes in response to low interest rates.



Although vacant rental units increased from 2000 to October 1, 2005, newly constructed apartments continue to be absorbed at a steady pace. Since 2000, approximately 1,300 apartment and townhome units were constructed in the HMA. Nearly half of the new units are located in the Mechanicsburg area of Cumberland County, close to several major highways. In addition, a blighted apartment complex in the city of Harrisburg was substantially rehabilitated into approximately 220 low-income housing tax credit units and a former garment factory in Annville, Lebanon County, was converted into 30 apartments.

Construction of new rental units is expected to continue throughout Dauphin, Cumberland and Lebanon Counties during the next 3 years. Approximately 330 rental units are currently under construction in the HMA. One-hundred seventy-five new units were completed in Hershey (Dauphin County) in December 2005 and 155 apartments will be completed shortly at two developments in Mechanicsburg. In addition, 100 units at two locations in Lebanon County are planned and are likely to be built during the forecast period. The average gross rent for a two-bedroom, two-bath unit in a newly constructed Class A development in the HMA is \$975.

Taking into account current and anticipated market conditions and forecast household growth, estimates indicate a demand for approximately 900 new rental units during the next 3 years. The 330 units currently under construction and 100 units in planning, which are likely to be completed within the forecast period, will meet a portion of the rental demand (To download the full report from HUDUSER, click on: [www.huduser.org/publications/econdev/mkt\\_analysis.html](http://www.huduser.org/publications/econdev/mkt_analysis.html)).

### **Mortgage Limits & High Cost Multipliers**

The 2006 Statutory Mortgage Limits and High Cost Percentage Multipliers have been published. They can be accessed at: [www.hud.gov/offices/hsg/mfh/hicost/highcost.cfm](http://www.hud.gov/offices/hsg/mfh/hicost/highcost.cfm).

### **Closings**



A total of 14 closings occurred in June- 11 Insured, 2 Section 811 and 1 Section 202. A breakout by Program Center is as follows: Philadelphia- 3 Insured and 1 Section 202; Pittsburgh- 6 Insured and 2 Section 811; and Charleston- 2 Insured.